

May 10, 2016

Barry Wood
Director Assessment Division
Department of Local Government Finance
Indiana Government Center North
100 North Senate Ave. N1058 (B)
Indianapolis, IN 46204

Dear Barry:

We have completed the 2016 ratio study for Clay County's annual adjustment. We reviewed and used every sale that was deemed valid for the two year period January 1, 2014 – December 31, 2015. The market in Clay County is static, but stable; of the sales that are occurring, outside of family and forced sales, are not increasing or decreasing in any significant manner. We followed approved methods of reviewing parcels sold over the last couple of years to test for the necessity of time adjustments to the 2014 sales used. Given the limited number of occurrences of the same parcel selling in consecutive years and the knowledge of the static nature of property sales in Clay County, we determined that no time adjustment was necessary.

Residential Vacant and Improved

Given the limited number of vacant sales, 8 validated sales, we resorted to utilizing the land valuation to building valuation ratio methodology to verify the accuracy of the land values. The land values for improved residential parcels are consistently within 16%-22% with the median at 18%. No factor was applied to the land values. New neighborhoods have been created for new subdivisions, row-type dwellings and mobile home parks and factors applied when necessary to bring the neighborhoods within IAAO standards. Foreclosed sales have been reviewed by neighborhood to determine if that was the normal market for the area.

For improved residential parcels, we concluded the following: Brazil Twp had an adequate number of sales and could stand on its own; Cass Twp, Jackson Twp, Sugar Ridge Twp, and Washington Twp were combined based upon location and similarity of economic characteristics; Dick Johnson Twp and Van Buren Twp were combined based upon location and similarity of economic factors; Harrison Twp and Lewis Twp were combined based upon location and similarity of economic factors; Perry Twp and Posey Twp were combined based upon location and similarity of economic factors.

Commercial and Industrial Vacant and Improved

The majority of Commercial and Industrial parcels are in one township and a very low level of sale activity is taking place. Because of the lack of sales for Commercial and Industrial properties, 19 validated sales, we combined all the sales for trending and to perform a countywide ratio study. The extrapolation method and the land value to building value ratio were used to verify that the land was reasonable for the market. No adjustment was made to the land and no trending was performed on the improved Commercial and Industrial properties.

Large Percent Change Areas

In an effort to address questions that you may have regarding areas and classes of properties that increased or decreased greater than 10%, I am proactively including explanations with this narrative. Below are areas that met this criteria:

TWP	Class	Prior Yr AV	Current Yr AV	Percent Change
Brazil	Com Vac	\$1,977,800	\$1,556,500	(-21.3%)
Parcel split to 11-01-32-200-186.001-002; total AV -\$340,330				
Brazil	Ind Imp	\$10,224,700	\$11,278,100	+10.30%
Added Imps from split of 11-01-32-200-186.000-002, added \$340,400; N/C on 11-01-29-300-016.000-001, added \$860,700				
Brazil	Res Vac	\$2,731,100	\$2,435,000	(-10.84%)
11-01-31-300-100.000-002 – Imps were razed; -\$32,200 11-01-31-100-181.000-002 - Imps were razed; -\$46,500 11-01-31-300-098.000-002 - Imps were razed; -\$26,100 11-02-36-400-381.000-002 - Imps were razed; -\$28,600 11-03-01-200-223.000-002 - Land reclassified as unbuildable; -\$57,300				
Cass	Res Imp	\$6,910,700	\$7,743,900	+12.06%
Area reviewed for reassessment and multiple corrections of omitted property; 11-05-22-200-001.001-003 had N/C totaling \$97,400; 11-05-32-400-003.001-003 was a split w/ N/C totaling \$133,200				
Cass	Res Vac	\$97,300	\$84,000	(-13.67%)
11-05-34-200-031.000-003 – Imps were razed; -\$9,700				
Dick Johnson	Res Vac	\$472,300	\$413,100	(-12.53%)
11-02-34-100-040.000-004 – Imps were razed; -\$62,800				
Harrison	Com Vac	\$287,900	\$100,400	(-65.13%)
Parcel 11-10-30-300-014.000-005 was an imp parcel; imp removed and land changed to undev; decreased \$159,900				
Harrison	Res Vac	\$708,100	\$489,800	(-30.83%)
11-11-15-100-002.000-005 - Imps moved to another parcel; decreased \$114,300 11-10-30-400-170.000-006 – Imps razed; decreased \$30,400 11-09-35-400-004.000-005 – Imps razed; decreased \$55,800				

TWP	Class	Prior Yr AV	Current Yr AV	Percent Change
Jackson	Ind Imp	\$155,800	\$195,700	+25.61%
11-04-26-300-006.000-007 – N/C; added addition the building; increased \$39,900				
Jackson	Com Imp	\$5,373,300	\$6,007,100	+11.80%
11-04-31-200-007.000-007 is N/C that was 60% complete; now 100% complete; increased \$526,500				
Sugar Ridge	Res Imp	\$28,375,100	\$33,873,500	+19.38%
Area reviewed and multiple corrections of omitted property; Added N/C etc				
Sugar Ridge	Res Vac	\$998,100	\$832,000	(-16.64%)
11-07-09-100-001.000-015 – Parcel split; imps moved; decreased \$92,500				
11-07-17-100-029.000-014 – Imps razed; decreased \$30,300				
Van Buren	Com Vac	\$148,100	\$114,900	(-22.42%)
11-01-28-400-101.000-019 – Imps razed; decreased \$33,200				
Van Buren	Res Vac	\$1,562,700	\$1,312,000	(-16.04%)
11-01-32-100-097.000-018 – Imps razed; decreased \$32,500				
11-01-32-100-099.000-018 – Imps razed; decreased \$22,200				
11-01-32-100-144.000-018 – Imps razed; decreased \$24,000				
11-01-32-100-057.000-018 – Imps razed; decreased \$32,500				
11-01-06-100-099.000-017 – Imps razed; decreased \$46,800				
11-01-32-100-019.000-018 – Imps razed; decreased \$24,700				
11-01-32-400-096.000-018 – Imps razed; decreased \$55,400				

Summary

All residential neighborhoods were reviewed and trending factors were applied accordingly.

We have included an explanation of sales that were originally submitted as valid and later deemed invalid. In addition, we included an explanation of sales that were originally deemed invalid and later deemed valid.

If you have any questions, please contact me.

Respectfully,

William A. Birkle, AAS
Tyler Technologies

cc: Jill Bennett, Clay County Assessor

